

**Low-Income Housing Credit**► **Attach to your return.**

OMB No. 1545-0984

**2000**Attachment  
Sequence No. **36b**

Name(s) shown on return

Identifying number

**Part I Current Year Credit** (See instructions.)

<b>1</b>	Number of Forms 8609 attached . . . . . ►	<b>2</b>											
<b>2</b>	Eligible basis of building(s) (total from attached Schedule(s) A (Form 8609), line 1) . . . . .	<b>3a</b>											
<b>3a</b>	Qualified basis of low-income building(s) (total from attached Schedule(s) A (Form 8609), line 3)												
<b>b</b>	Has there been a decrease in the qualified basis of any building(s) since the close of the preceding tax year? <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> If "Yes," enter the building identification number (BIN) of the building(s) that had a decreased basis. If more space is needed, attach a schedule to list the BINs. (i) . . . . . (ii) . . . . . (iii) . . . . . (iv) . . . . .	<b>4</b>											
<b>4</b>	Current year credit (total from attached Schedule(s) A (Form 8609), see instructions) . . . . .	<b>5</b>											
<b>5</b>	Credits from pass-through entities (if from more than one entity, see instructions): If you are a— Then enter total of current year housing credit(s) from— <table><tr><td><b>a</b> Shareholder</td><td>Schedule K-1 (Form 1120S), lines 12b(1) through (4)</td><td rowspan="3">} . . . . .</td><td rowspan="3"><b>6</b></td><td rowspan="3"></td></tr><tr><td><b>b</b> Partner</td><td>Schedule K-1 (Form 1065), lines 12a(1) through (4), or Schedule K-1 (Form 1065-B), box 8</td></tr><tr><td><b>c</b> Beneficiary</td><td>Schedule K-1 (Form 1041), line 14</td></tr></table> <b>EIN of pass-through entity</b> . . . . .	<b>a</b> Shareholder	Schedule K-1 (Form 1120S), lines 12b(1) through (4)	} . . . . .	<b>6</b>		<b>b</b> Partner	Schedule K-1 (Form 1065), lines 12a(1) through (4), or Schedule K-1 (Form 1065-B), box 8	<b>c</b> Beneficiary	Schedule K-1 (Form 1041), line 14	<b>7</b>		
<b>a</b> Shareholder	Schedule K-1 (Form 1120S), lines 12b(1) through (4)	} . . . . .	<b>6</b>										
<b>b</b> Partner	Schedule K-1 (Form 1065), lines 12a(1) through (4), or Schedule K-1 (Form 1065-B), box 8												
<b>c</b> Beneficiary	Schedule K-1 (Form 1041), line 14												
<b>6</b>	Add lines 4 and 5. (See instructions to find out if you complete lines 7 through 18 or file Form 3800.) . . . . .												
<b>7</b>	<b>Passive activity credit or total current year credit</b> for 2000 (see instructions) . . . . .												

**Part II Tax Liability Limit**

<b>8</b>	Regular tax before credits: • Individuals. Enter the amount from Form 1040, line 40 . . . . . • Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return. . . . . • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return . . . . .	<b>8</b>		
<b>9</b>	Alternative minimum tax: • Individuals. Enter the amount from Form 6251, line 28 . . . . . • Corporations. Enter the amount from Form 4626, line 15 . . . . . • Estates and trusts. Enter the amount from Form 1041, Schedule I, line 39 . . . . .	<b>9</b>		
<b>10</b>	Add lines 8 and 9 . . . . .	<b>10</b>		
<b>11a</b>	Foreign tax credit . . . . .	<b>11a</b>		
<b>b</b>	Credit for child and dependent care expenses (Form 2441, line 9) . . . . .	<b>11b</b>		
<b>c</b>	Credit for the elderly or the disabled (Schedule R (Form 1040), line 20) . . . . .	<b>11c</b>		
<b>d</b>	Education credits (Form 8863, line 18) . . . . .	<b>11d</b>		
<b>e</b>	Child tax credit (Form 1040, line 47) . . . . .	<b>11e</b>		
<b>f</b>	Mortgage interest credit (Form 8396, line 11) . . . . .	<b>11f</b>		
<b>g</b>	Adoption credit (Form 8839, line 14) . . . . .	<b>11g</b>		
<b>h</b>	District of Columbia first-time homebuyer credit (Form 8859, line 11) . . . . .	<b>11h</b>		
<b>i</b>	Possessions tax credit (Form 5735, line 17 or 27) . . . . .	<b>11i</b>		
<b>j</b>	Credit for fuel from a nonconventional source . . . . .	<b>11j</b>		
<b>k</b>	Qualified electric vehicle credit (Form 8834, line 19) . . . . .	<b>11k</b>		
<b>l</b>	Add lines 11a through 11k . . . . .	<b>11l</b>		
<b>12</b>	Net income tax. Subtract line 11l from line 10. . . . .	<b>12</b>		
<b>13</b>	Tentative minimum tax (see instructions): • Individuals. Enter the amount from Form 6251, line 26 . . . . . • Corporations. Enter the amount from Form 4626, line 13 . . . . . • Estates and trusts. Enter the amount from Form 1041, Schedule I, line 37 . . . . .	<b>13</b>		
<b>14</b>	Net regular tax. Subtract line 11l from line 8. If zero or less, enter -0- . . . . .	<b>14</b>		
<b>15</b>	Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions) . . . . .	<b>15</b>		
<b>16</b>	Enter the greater of line 13 or line 15. . . . .	<b>16</b>		
<b>17</b>	Subtract line 16 from line 12. If zero or less, enter -0- . . . . .	<b>17</b>		
<b>18</b>	<b>Low-income housing credit allowed for the current year.</b> Enter the <b>smaller</b> of line 7 or line 17 here and on Form 1040, line 49; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 4a; Form 1041, Schedule G, line 2c; or the applicable line of your return. . . . .	<b>18</b>		

## General Instructions

Section references are to the Internal Revenue Code.

### Purpose of Form

An owner of a residential rental building in a qualified low-income housing project uses Form 8586 to claim the low-income housing credit.

The low-income housing credit determined under section 42 is a credit of 70% of the qualified basis of each new low-income building placed in service after 1986 (30% for certain federally subsidized new buildings or existing buildings). This credit is taken over a 10-year period so that the present value of the 10 annual credit amounts determined as of the last day of the first year of the credit period equals 70% (or 30%) of the building's qualified basis.

In general, the 10-year credit period starts at the beginning of the tax year in which the building is placed in service. However, you may elect to begin the 10-year credit period in the tax year after the year the building was placed in service by checking the "Yes" box in Part II, line 10a, of **Form 8609**, Low-Income Housing Credit Allocation Certification.

### S Corporations, Partnerships, Estates, and Trusts

Complete Part I to figure the credit to pass through to the shareholders, partners, or beneficiaries. Attach Form 8586 to the entity's income tax return along with Form 8609, and **Schedule A (Form 8609)**, Annual Statement, for each building. An electing large partnership treats the part of the credit attributable to property placed in service before 1990 as a "rehabilitation credit" when reporting the credit to its partners.

### Qualified Low-Income Housing Project

The low-income housing credit can only be claimed for residential rental buildings in low-income housing projects that meet one of the minimum set-aside tests (20–50 or 40–60 (25–60 for New York City only)). See the instructions for Part II, line 10c, of Form 8609 for details. You may elect either test for the project, but once made, the election is irrevocable. The test elected must be the same for all buildings in the project. Use Form 8609 to make this election. See section 42(g) for details.

Except for buildings financed with certain tax-exempt bonds, you may not take a low-income housing credit on a building if it has not received an allocation. Generally, the allocation must be received by the close of the calendar year the building is placed in service. In addition, the credit cannot exceed the amount allocated to the building by the housing credit agency. See section 42(h)(1) for details. No allocation is needed when (a) 50% or more of the aggregate basis of the building and the land on which the building is located is financed with certain tax-exempt bonds issued after 1989 for buildings placed in service after 1989 or (b) 70% or more of the aggregate building and land is financed with certain tax-exempt bonds issued before 1990. "Land on which the building is located" includes only land that is functionally related and subordinate to the qualified low-income building (see Regulations sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) for the meaning of "functionally related and subordinate").

Except as noted in the **Specific Instructions**, you must obtain a Form 8609 (with Part I completed) from the state or local housing credit agency for each building for which you are claiming a credit. Attach to your return a copy of Form 8609 and accompanying Schedule A (Form 8609) for each building for each year of the 15-year compliance period. You must also certify

certain first-year information to the IRS on Form 8609. If this certification is not made, you may not claim a credit for that building.

### Recapture of Credit

There is a 15-year compliance period during which the residential rental building must continue to meet certain requirements. If, as of the close of any tax year in this period, there is a reduction in the qualified basis of any building from the previous year, you may have to recapture a part of the credit you have taken. Similarly, you may have to recapture part of the credits taken in previous years upon certain dispositions of the building or interests therein. Use **Form 8611**, Recapture of Low-Income Housing Credit. See the instructions for Form 8611 and section 42(j) for more information.

### Recordkeeping

Keep a copy of this Form 8586 together with all Forms 8609, Schedule(s) A (Form 8609), and Form 8611 for 3 years after the 15-year compliance period ends.

## Specific Instructions

**Note:** If your only credit is from a pass-through entity (i.e., S corporation, partnership, estate, or trust), you do not have to obtain, complete, or attach Form 8609 or Schedule A (Form 8609) to Form 8586. Also, skip lines 1 through 4.

**Line 1.** If any of the attached Forms 8609 are for buildings that are part of a multiple building project (defined in instructions for Part II of Form 8609), attach a schedule listing the following information for each project: (a) name and address of the project and each building in the project, (b) the building identification number (BIN) of each building in the project, (c) the aggregate credit dollar amount for the project, and (d) the credit allocated to each building in the project.

**Line 3b.** A decrease in qualified basis will result in recapture if the qualified basis at the close of the tax year is less than the qualified basis at the close of the first year of the credit period.

**Important:** If the reduction in qualified basis at the close of the tax year also results in a violation of the minimum set-aside requirement, then no credit is allowable for the year. If you must recapture credits, use Form 8611. See section 42(j) for more information.

**Line 4.** The line 4 credit for the year is figured on Schedule A (Form 8609) for each building. Attach copies of Form(s) 8609 and Schedule(s) A (Form 8609) to Form 8586 for each tax year a credit is claimed. Enter on line 4 the credit from Schedule A (Form 8609). If more than one Form 8609 and related Schedules A are attached, enter on line 4 the total credit from all attached Schedules A.

For a pass-through entity with a line 4 credit attributable to more than one building, attach a schedule to Form 8586 that shows each shareholder's, partner's, or beneficiary's name, identifying number, and share of the line 4 credit and the BIN for each building.

**Line 5.** If you have a credit from a pass-through entity, enter the entity's employer identification number (EIN) and the credit amount on line 5. If you have credits from more than one pass-through entity, attach a statement that shows the EIN and credit amount for each entity. Enter the total credit on line 5.

**Line 6.** If the line 6 credit is your only 2000 general business credit (see **Note** below) and you do not have a carryback or carryforward of any general business credit, complete line 7 and Part II to determine your allowed low-income housing credit.

If you have more than one of the credits included in the general business credit, a carryback or carryforward of any of these credits, or general credits from an electing large

partnership (Schedule K-1, (Form 1065-B)), do not complete line 7 or Part II. Enter the line 6 credit on **Form 3800**, General Business Credit, and complete Form 3800 to determine your allowed credit.

**Note:** The general business credit consists of the following credits: investment (Form 3468), work opportunity (Form 5884), welfare-to-work (Form 8861), alcohol used as fuel (Form 6478), research (Form 6765), low-income housing (Form 8586), disabled access (Form 8826), enhanced oil recovery (Form 8830), renewable electricity production (Form 8835), Indian employment (Form 8845), employer social security and Medicare taxes paid on certain employee tips (Form 8846), orphan drug (Form 8820), contributions to selected community development corporations (Form 8847), and trans-Alaska pipeline liability fund. The empowerment zone employment credit (Form 8844), while a component of the general business credit, is figured separately on Form 8844 and is never carried to Form 3800.

**Line 7.** The credit on line 6 may be subject to the passive activity credit limitation. Individuals, estates, and trusts figure the limit on **Form 8582-CR**, Passive Activity Credit Limitations, and closely held corporations figure the limit on **Form 8810**, Corporate Passive Activity Loss and Credit Limitations. See the instructions for Form 8582-CR or 8810 to find out if this limitation applies. If so, enter the allowable credit from Form 8582-CR or 8810 on line 7. If you are not subject to the passive activity limitation, enter on line 7 the amount from line 6.

**Line 13.** Although you may not owe alternative minimum tax (AMT), you generally must still compute the tentative minimum tax (TMT) to figure your credit. For a small corporation exempt from the AMT under section 55(e), enter zero. Otherwise, complete and attach the applicable AMT form or schedule and enter the TMT on line 13.

**Line 15.** See section 38(c)(3) for special rules that apply to married couples filing separate returns, controlled corporate groups, regulated investment companies, real estate investment trusts, and estates and trusts.

**Line 18.** If you cannot use part or all of the credit because of the tax liability limit (line 17 is smaller than line 7), carry the excess back 1 year and then forward 20 years. See the Instructions for Form 3800 for details.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	7 hr., 25 min.
<b>Learning about the law or the form</b> . . . . .	1 hr., 44 min.
<b>Preparing the form</b> . . . . .	3 hr., 47 min.
<b>Copying, assembling, and sending the form to the IRS</b> . . . . .	32 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.



**Recapture of Low-Income Housing Credit**

► Attach to your return.

OMB No. 1545-1035

**Note: Complete a separate Form 8611 for each building to which recapture applies.**Attachment  
Sequence No. **90**

<b>A</b> Name(s) shown on return		<b>B</b> Identifying number
<b>C</b> Address of building (as shown on Form 8609)	<b>D</b> Building identification number (BIN)	<b>E</b> Date placed in service (from Form 8609)
<b>F</b> If building is financed in whole or part with tax-exempt bonds, see instructions and furnish:		
(1) Issuer's name		(2) Date of issue
(3) Name of issue		(4) CUSIP number

**Note:** If recapture is passed through from a flow-through entity (partnership, S corporation, estate, or trust), skip lines 1 – 7 and go to line 8.

1	Enter total credits reported on Form 8586 in prior years for this building. . . . .	1		
2	Credits included on line 1 attributable to additions to qualified basis (see instructions) . . .	2		
3	Credits subject to recapture. Subtract line 2 from line 1 . . . . .	3		
4	Credit recapture percentage (see instructions) . . . . .	4		
5	Accelerated portion of credit. Multiply line 3 by line 4 . . . . .	5		
6	Percentage decrease in qualified basis. Express as a decimal amount carried out to at least 3 places (see instructions) . . . . .	6		
7	Amount of accelerated portion recaptured. Multiply line 5 by line 6. Section 42(j)(5) partnerships, go to line 13. All other flow-through entities (except electing large partnerships), enter the result here and enter each recipient's share on the appropriate line of Schedule K-1. Generally, flow-through entities other than electing large partnerships will stop here. ( <b>Note:</b> An estate or trust enters on line 8 only its share of recapture amount attributable to the credit amount reported on its Form 8586.) . . . . .	7		
8	Enter recapture amount from flow-through entity. . . . .	8		
9	Enter accelerated portion of the unused credit attributable to this building (see instructions) .	9		
10	Net recapture. Subtract line 9 from line 7 or line 8. If less than zero, enter -0-. . . . .	10		
11	Enter interest on the line 10 recapture amount (see instructions) . . . . .	11		
12	Total recapture. Add lines 10 and 11. Enter here and on the appropriate line of your tax return. If more than one Form 8611 is filed, add the line 12 amounts from all forms and enter the total on the appropriate line of your return. Electing large partnerships, see instructions . . . . .	12		

**Only Section 42(j)(5) partnerships need to complete lines 13 and 14.**

13	Enter interest on the line 7 recapture amount (see instructions). . . . .	13		
14	Total recapture. Add lines 7 and 13 (see instructions) . . . . .	14		

**General Instructions**

Section references are to the Internal Revenue Code.

**Purpose of Form**

Use this form if you must recapture part of the low-income housing credit you took in previous years because:

- The qualified basis of a building decreased from one year to the next, or
- You disposed of the building or an ownership interest in it, and you did not post a satisfactory bond or pledge eligible U.S. Treasury securities as collateral. For details on how to avoid recapture on a building disposition, see section 42(j)(6); **Form 8693**, Low-Income Housing Credit Disposition Bond; and Rev. Proc. 99-11, 1999-2 I.R.B. 14.

**Note:** If the decrease in qualified basis is because of a change in the amount for which you are financially at risk on the building, then you must first recalculate the amount of credit taken in prior years under section 42(k) before you calculate the recapture amount on this form.

To complete this form you will need copies of the following forms that you have filed:

**Form 8586**, Low-Income Housing Credit (and **Form 3800**, General Business Credit, if applicable); **Form 8609**, Low-Income Housing Credit Allocation Certification; **Schedule A (Form 8609)**, Annual Statement; and **Form 8611**.**Note:** Flow-through entities must give partners, shareholders, and beneficiaries the information that is reported in items C, D, E, and F of Form 8611.

Generally, recapture applies if:

- You dispose of a building or an ownership interest in it;
- There is a decrease in the qualified basis of the building from one year to the next; or
- The building no longer meets the minimum set-aside requirements of section 42(g)(1), the gross rent requirement of section 42(g)(2), or the other requirements for the units which are set aside.

However, recapture **does not** apply if:

- You disposed of the building or an ownership interest in it and you posted a satisfactory bond or pledged eligible U.S.

Treasury securities as collateral (for details, see section 42(j)(6); **Form 8693**; and Rev. Proc. 99-11);

- You disposed of an ownership interest in a building that you held through an electing large partnership;
- The decrease in qualified basis does not exceed the additions to qualified basis for which credits were allowable in years after the year the building was placed in service;
- You correct a noncompliance event within a reasonable period after it is discovered or should have been discovered;
- The credit did not reduce your tax liability (but you must adjust the allowable general business credit carryback and carryforward); or
- The qualified basis is reduced because of a casualty loss, provided the property is restored or replaced within a reasonable period.

**Recordkeeping Requirements**

To verify changes in qualified basis from year to year, you must keep, for 3 years after the 15-year compliance period ends, a copy of all Forms 8586, 8609, Schedule A (Form 8609), 8611, and 8693.

## Specific Instructions

**Note:** If recapture is passed through from a flow-through entity (partnership, S corporation, estate or trust), skip lines 1–7 and go to line 8.

**Item F.** If the building is financed with tax-exempt bonds, furnish the following information: (1) name of the entity that issued the bond (not the name of the entity receiving the benefit of the financing); (2) date of issue, generally the first date there is a physical exchange of the bonds for the purchase price; (3) name of the issue, or if not named, other identification of the issue; and (4) CUSIP number of the bond with the latest maturity date. If the issue does not have a CUSIP number, enter "None."

**Line 1.** Enter the total credits claimed on the building for all prior years from Part I, Form 8586 (before reduction due to the tax liability limit). No credit may be claimed in the year of recapture. See Part I of Form(s) 8586 you have filed. **Do not** include credits taken by a previous owner.

**Line 2.** Determine the amount to enter on this line by completing a separate **Line 2 Worksheet** (below) for each prior year for which line 7 of Schedule A (Form 8609) was completed.

**Line 4.** Enter the credit recapture percentage, expressed as a decimal carried to at least 3 places, from the table below:

IF the recapture event occurs in . . .	THEN enter on line 4 . . .
Years 2 through 11 . . . . .	.333
Year 12 . . . . .	.267
Year 13 . . . . .	.200
Year 14 . . . . .	.133
Year 15 . . . . .	.067

**Line 6.** Enter the percentage decrease in qualified basis from the close of the previous year to the close of the current year.

For this purpose, figure qualified basis without regard to any additions to qualified basis after the first year of the credit period. Compare any decrease in qualified basis first to additions to qualified basis. Recapture applies only if the decrease in qualified basis

exceeds additions to qualified basis after the first year of the credit period.

If you disposed of the building or an ownership interest in it and did not post a bond, you must recapture all of the accelerated portion shown on line 5. Enter 1.000 on line 6.

**Note:** If the decrease causes the qualified basis to fall below the minimum set-aside requirements of section 42(g)(1) (the 20-50 test or the 40-60 test), then 100% of the amount shown on line 5 must be recaptured. Enter 1.000 on line 6. If you elected the 40-60 test for this building and the decrease causes you to fall below 40%, you **cannot** switch to the 20-50 test to meet the set-aside requirements. You must recapture the entire amount shown on line 5.

**Line 9.** Multiply the unused credits attributable to this building by the decimal amount on line 4 and enter the result on line 9. Reduce the amount of any unused credit by the amount of recapture before claiming any carryforward of the low-income housing credit on Form 3800. See the separate Instructions for Form 3800 for details on the carryforward of unused credits.

**Special rule for electing large partnerships.** Enter zero on line 9. An electing large partnership is treated as having fully used all prior year credits.

**Line 11.** Compute the interest separately for each prior tax year for which a credit is being recaptured. Interest must be computed at the **overpayment rate** determined under section 6621(a)(1) and compounded on a daily basis from the due date (not including extensions) of the return for the prior year until the earlier of (a) the due date (not including extensions) of the return for the recapture year, or (b) the date the return for the recapture year is filed and any income tax due for that year has been fully paid.

Tables of interest factors to compute daily compound interest were published in Rev. Proc. 95-17, 1995-1 C.B. 556. The annual interest rate in effect and the corresponding page number in 1995-1 C.B. for periods through March 31, 1999, are shown in Rev. Rul. 98-61, 1998-51 I.R.B. 8. For periods after March 31, 1999, use the overpayment rate under section 6621(a)(1) in the revenue rulings published quarterly in the Internal Revenue Bulletin.

**Note:** If the line 8 recapture amount is from a section 42(j)(5) partnership, the partnership will figure the interest and include it in the recapture amount reported to you. Enter "-0-" on line 11 and write "Section 42(j)(5)" to the left of the entry space for line 11.

**Line 12. Special rule for electing large partnerships.** Subtract the current year credit, if any, shown on Form 8586, line 7, from the total of the line 12 amounts from all Forms 8611. Enter the result (but not less than zero) on Form 1065-B, Part I, line 26.

**Note:** You must also reduce the current year low-income housing credit, before entering it on Schedules K and K-1, by the amount of the reduction to the total of the recapture amounts.

**Lines 13 and 14.** Only section 42(j)(5) partnerships complete these lines. This is a partnership (other than an electing large partnership) that has at least 35 partners, unless the partnership elects (or has previously elected) not to be treated as a section 42(j)(5) partnership. For purposes of this definition, a husband and wife are treated as one partner.

For purposes of determining the credit recapture amount, a section 42(j)(5) partnership is treated as the taxpayer to which the low-income housing credit was allowed and as if the amount of credit allowed was the entire amount allowable under section 42(a).

See the instructions for line 11 to figure the interest on line 13. The partnership must attach Form 8611 to its Form 1065 and allocate this amount to each partner on Schedule K-1 (Form 1065) in the same manner as the partnership's taxable income is allocated to each partner.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping . . . . .** 6 hr., 56 min.

**Learning about the law or the form . . . . .** .1 hr., 5 min.

**Preparing and sending the form to the IRS . . . . .** 1 hr., 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the IRS at the address listed in the instructions for the tax return with which this form is filed.

### Line 2 Worksheet

<b>a</b> Enter the amount from line 10, Schedule A (Form 8609) . . . .	<b>a</b>
<b>b</b> Multiply <b>a</b> by 2 . . . . .	<b>b</b>
<b>c</b> Enter the amount from line 11, Schedule A (Form 8609) . . . .	<b>c</b>
<b>d</b> Subtract <b>c</b> from <b>b</b> . . . . .	<b>d</b>
<b>e</b> Enter decimal amount figured in step 1 of the instructions for line 14, Schedule A (Form 8609). If line 14 does not apply to you, enter -0- . . . . .	<b>e</b>
<b>f</b> Multiply <b>d</b> by <b>e</b> . . . . .	<b>f</b>
<b>g</b> Subtract <b>f</b> from <b>d</b> . . . . .	<b>g</b>
<b>h</b> Divide line 16, Schedule A (Form 8609) by line 15, Schedule A (Form 8609). Enter the result here . . . . .	<b>h</b>
<b>i</b> Multiply <b>g</b> by <b>h</b> . Enter this amount on line 2. (If more than one worksheet is completed, add the amounts on <b>i</b> from all worksheets and enter the total on line 2.) . . . . .	<b>i</b>



**Note:** *File a separate Form 8823 for each building that is disposed of or goes out of compliance.*

<b>1</b> Building name (if any). Check if item 1 differs from Form 8609 <input type="checkbox"/>	<b>2</b> Owner's name. Check if item 2 differs from Form 8609 <input type="checkbox"/>																																																						
Street address	Continuation																																																						
City or town, state, and ZIP code	Street address																																																						
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<b>3</b> Building identification number (BIN) <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>	<b>4</b> Owner's taxpayer identification number <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div> <div style="display: flex; justify-content: flex-end; margin-top: 5px;"> <input type="checkbox"/> EIN    <input type="checkbox"/> SSN         </div>																																																						
<b>5</b> If this building is part of a multiple building project, enter the number of buildings in the project																																																							
<b>6a</b> Total number of residential rental units in this building																																																							
<b>b</b> Total number of low-income units in this building																																																							
<b>c</b> Total number of residential units in this building determined to have noncompliance issues.																																																							
<b>d</b> Total number of units reviewed by agency (see instructions)																																																							
<b>7</b> Date building ceased to comply with the low-income housing credit provisions (see instructions) (MMDDYYYY).																																																							
<b>8</b> Date noncompliance corrected (if applicable) (see instructions) (MMDDYYYY).																																																							
<b>9</b> Check this box if you are filing only to show correction of a previously reported noncompliance problem																																																							
<b>10</b> Check the box(es) that apply:																																																							
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<b>11</b> Additional information for any item above. Attach explanation and check here																																																							
<b>12</b> Building disposition <b>a</b> Building disposed of by: <input type="checkbox"/> Sale <input type="checkbox"/> Foreclosure <input type="checkbox"/> Abandonment <input type="checkbox"/> Destruction <input type="checkbox"/> Other (attach explanation)																																																							
<b>b</b> New owner's name and address: Name Continuation Street address City or town, state, and ZIP code	<b>c</b> Date of building disposition (MMDDYYYY) <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div> <b>d</b> New owner's taxpayer identification number <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div> <div style="display: flex; justify-content: flex-end; margin-top: 5px;"> <input type="checkbox"/> EIN    <input type="checkbox"/> SSN         </div>																																																						
<b>13</b> State housing agency employer identification number <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>																																																							
<b>14</b> Name and telephone number of contact person																																																							

Under penalties of perjury, I declare that I have examined this report, including accompanying statements and schedules, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of authorizing official

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Print name and title

Date \_\_\_\_\_

**For Paperwork Reduction Act Notice, see back of form.**

Cat. No. 12308D

Form **8823** (Rev. 1-99)

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

Housing credit agencies use Form 8823 to fulfill their responsibility under section 42(m)(1)(B)(iii) to notify the IRS of noncompliance with the low-income housing tax credit provisions or any building disposition.

**File a separate form for each building that was disposed of or goes out of compliance.**

### Who Must File

Any authorized housing credit agency that becomes aware that a low-income housing building was disposed of or is not in compliance with the provisions of section 42 must file Form 8823.

### When To File

File Form 8823 no later than 45 days after **(a)** the building was disposed of or **(b)** the end of the time allowed the building owner to correct the condition(s) that caused noncompliance. For details, see Regulations section 1.42-5(e).

### Where To File

File Form 8823 with the Internal Revenue Service Center, Philadelphia, PA 19255.

## Specific Instructions

### Items 2, 4, 12b, and 12d

If there is more than one owner (other than as a member of a flow-through entity), attach a schedule listing the owners, their addresses, and their taxpayer identification numbers. Indicate whether each owner's taxpayer identification number is an employer identification number (EIN) or a social security number (SSN).

Both the EIN and the SSN have nine digits. An EIN has two digits, a hyphen, and seven digits. An SSN has three digits, a hyphen, two digits, a hyphen, and four digits and is issued only to individuals.

### Item 3

Enter the building identification number (BIN) assigned to the building by the housing credit agency as shown on Form 8609.

### Item 6d

"Reviewed by agency" includes physical inspection of the property, tenant file inspection, or review of documentation submitted by the owner.

### Item 7

Enter the date that the building ceased to comply with the low-income housing credit provisions. If there are multiple noncompliance issues, enter the earliest date that any issue was discovered. **Do not** complete item 7 for a building disposition. Instead, skip items 8 through 11, and complete item 12.

### Item 8

Enter the date that the noncompliance issue was corrected. If there are multiple issues, enter the date the last correction was made.

### Item 9

Do not check this box until **all** previously reported noncompliance issues have been corrected.

### Item 10b

Examples of major violations of health, safety, and building codes include:

- Structural and roof problems.
- Blockage of fire exits.
- Elevators functioning improperly.
- Smoke detectors or sprinklers not functioning.
- Pest infestation.
- Serious electrical, heating, or plumbing problems.
- Common area safety lighting problems.

### Item 10c

Report a pattern of minor health, safety, and building code violations in housing units. Minor violations are those that require correction but do not impair essential services and safeguards for tenants.

### Item 10e

Changes in eligible basis occur when common areas become commercial, fees are charged for facilities, etc.

### Item 10f

Failure to satisfy the minimum set-aside requirement in the first year of the credit period results in the permanent loss of the entire credit.

Failure to maintain the minimum set-aside requirement in any year after the first year of the credit period results in recapture of previously claimed credit and no future credit can be claimed. However, an owner who can again satisfy the minimum set-aside requirement may resume claiming credit after that date.

### Item 10h

Low-income housing credit properties are subject to Title VIII of the Civil Rights

Act of 1968, also known as the Fair Housing Act. It prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, religion, sex, national origin, familial status, and disability. See 42 U.S.C. sections 3601 through 3619.

It also mandates specific design and construction requirements for multifamily housing built for first occupancy after March 13, 1991, in order to provide accessible housing for individuals with disabilities. The failure of low-income housing credit properties to comply with the requirements of the Fair Housing Act will result in the denial of the low-income housing tax credit on a per-unit basis.

The Department of Housing and Urban Development (HUD) enforces the Fair Housing Act. Individuals with questions about the accessibility requirements can obtain the Fair Housing Act Design Manual from HUD by calling 1-800-343-3442.

### Item 10q

Check this box for violations other than those listed in 10a through 10p. Attach an explanation.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . . 7 hr., 39 min.

**Learning about the law or the form** . . . . . 30 min.

**Preparing and sending the form to the IRS.** . . . . 39 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send Form 8823 to this address. Instead, see **Where To File** above.

